

MINUTES
BOARD OF SUPERVISORS
COUNTY OF YORK

Adjourned Meeting
March 11, 2003

6:00 p.m.

Meeting Convened. An Adjourned Meeting of the York County Board of Supervisors was called to order at 6:01 p.m., Tuesday, March 11, 2003, in the East Room, York Hall, by Chairman James S. Burgett.

Attendance. The following members of the Board of Supervisors were present: Walter C. Zarembo, Sheila S. Noll, Donald E. Wiggins, James S. Burgett, and Thomas G. Shepperd.

Also in attendance were James O. McReynolds, County Administrator; and James E. Barnett, County Attorney.

WORK SESSION

PROPOSED FISCAL YEAR 2004 BUDGET

Mr. McReynolds noted there were several items to review concerning the proposed budget, and at the end of evening the Board would be asked for direction as to the content of future work sessions. He then reviewed the FY2004 general fund budget summary showing expected revenues and expenditures and their percentage of change over FY2003.

Mr. Zarembo asked to what extent were state revenues firmed up.

Mr. McReynolds stated the revenues are based on General Assembly action to date. The budget has been forwarded to Governor Warner, and a veto session has been set. Until that takes place, the numbers are subject to change. Mr. McReynolds stated that staff doesn't anticipate any significant change to most of the areas because of the situation the state is in financially. He stated the numbers are very good planning numbers.

Mr. Wiggins noted that interest rates are anticipated to drop again, and asked if there was any way to lock anything in on a fixed term.

Mr. McReynolds noted that with regard to investments, the Treasurer has some investments that go out for 6 months or more, but there isn't much of an opportunity to do more than the County is already investing. He then continued his review with the expenditure side of the proposed budget.

Chairman Burgett asked Mr. McReynolds to address the Constitutional Officers as to how much of their budget is local and how much is state funded.

Mr. McReynolds stated that roughly \$3 million comes from the state, and the balance comes from the locality.

Mr. Zarembo asked if the County is mandated to fund the Constitutional Officers.

Mr. McReynolds indicated the state code specifies the amounts the state will fund for the Constitutional Officers, and the County has to pick up the balance. There are formulas to determine the County's share, which is from 50 percent and up. However, Mr. McReynolds stated that all the Constitutional Officers' employees are on the County pay plan, and the County subsidizes their salaries. He noted the County funds more than the minimum number of employees approved by the Compensation Board.

Mr. Zaremba asked that Mr. McReynolds show the Board the next time it meets how much is mandated and how much the County subsidizes the Constitutional Officers.

Discussion followed on the effective amount of decrease to the Constitutional Officers' budgets proposed for FY2004.

Mr. McReynolds then reviewed the budget summary dealing with school operations.

Mr. Shepperd asked for the rationale behind the proposed \$1.4 million proposed increase to the school budget.

Mr. McReynolds stated that over the course of the last 6-8 years, it has been the Board's practice to give the schools the same amount of increase as the County receives in revenues. This year the recommendation was to give the schools the same amount of growth, which equated to \$1.45 million. He noted that the \$198,000 difference between this amount and in the School Board's request represents only 2/10 of 1 percent of its total budget proposal.

Mrs. Marycarol White, Director of Financial and Management Services, spoke of the non-personnel line items, stating the staff held the line where they could. There is no increase in programs on the County side of the proposed budget.

Discussion followed on increased health insurance costs.

Mrs. White then reviewed the Capital Debt line, stating from 2003 to 2004 staff is proposing to increase capital debt by \$700,000 as outlined in the 6-year Capital Improvements Program. She then spoke of increased personnel costs equating to \$1,738,910 for FY2004.

Mr. McReynolds noted that a significant portion of the increase in personnel costs is coming out of funds earmarked for the communications system upgrade. Even though the increase is seen on the personnel side, there is a decrease by the same amount on the non-personnel side. He stated it also includes the trading of some overtime for full-time persons in Fire and Life Safety.

Mr. Zaremba asked what is the proposed pay raise increase.

Mr. McReynolds indicated it is approximately 4 percent between market adjustment and step increases,

Mrs. White then reviewed the new positions and the non-personnel increases totaling \$2,252,574. She noted that on the County side staff is asking only for a \$500,000 increase. She next reviewed a summary of increases in operating expenditures for the Proprietary Funds. Mrs. White then reviewed the proposed FY2004 education revenues and expenditures.

Mr. Shepperd stated he had seen a memorandum from Dr. Staples to Jo Ann Davis about impact aid funding.

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Mr. McReynolds stated the President recommended less than what Congress proposed for impact aid, but this is nothing unusual. He expressed his hope that the coalitions in the House and Senate will carry the day, and impact aid will remain at the same level as in past years or even see an increase. Mr. McReynolds stated that staff is cautiously optimistic, and later this month he and Mrs. White may accompany a group from the State to visit the Congressional Delegation to ask for their support.

Mr. Shepperd stated that \$10 million is the projection. He asked if that amount is reduced, will it come out of this number.

Mr. McReynolds indicated that the County has \$5 million in a stabilization fund to deal with reductions in impact aid so it wouldn't have to impact the budget all in one year. He stated Mr. Jarrett, York County Schools' Finance Director, was present if the Board has more detailed questions concerning impact aid.

Chairman Burgett noted the schools have almost \$100 million to spend in FY2004. He indicated he has heard some negative comments from the school division, but it looks like it has a lot of funding to perform its mission.

Mr. Shepperd stated he was interested in impact aid, noting that last year the School Division was short. Based on calculations developed by the Federal Government, York's School Division was supposed to have about \$2 million more.

Mr. Dennis Jarrett, Director of Finance for the School Division, indicated Mr. Shepperd was correct. He stated that on an entitlement basis the School Division did not receive everything, but it met its budget projections last year.

Mrs. Noll asked how is the County doing with money for special education programs.

Mr. Jarrett stated they are not funded through impact aid. The School Division gets about 12 percent.

Discussion followed concerning the lack of federal funding for the school system.

Mrs. White continued her review of the schools funding, noting that in every year since 1991 there has been an increase with the exception of 1993 due to an impact aid decrease. She noted that funding for school operations has also increased every year since 1991. She also discussed support for the school budget by source--County, State, sales tax, Federal, and local miscellaneous operations. Mrs. White then reviewed a comparison of median family income and the effective true property tax rates.

Mr. McReynolds asked the Board members to provide staff with an idea of what issues they wish to see covered during the upcoming scheduled work sessions on the budget.

After a brief discussion, the Board asked that staff be prepared to discuss the following budget issues:

- ? Economic Development
- ? Environmental Enhancements

- ? Stormwater Management and Drainage
- ? Library Funding
- ? Mosquito Spraying
- ? Route 17 and Lightfoot Corridors
- ? Tourism Funding

CLOSED MEETING. At 7:13 p.m. Mr. Shepperd moved that the Board convene in Closed Meeting pursuant to Section 2.2-3711(3) of the Code of Virginia pertaining to the acquisition and disposition of real property.

On roll call the vote was:

Yea: (5) Zaremba, Noll, Wiggins, Shepperd, Burgett
Nay: (0)

Meeting Reconvened. At 8:35 p.m. the meeting was reconvened in open session by order of the Chair.

Mrs. Noll moved the adoption of proposed Resolution SR-1 that reads:

A RESOLUTION TO CERTIFY COMPLIANCE WITH THE FREEDOM
OF INFORMATION ACT REGARDING MEETING IN CLOSED SES-
SION

WHEREAS, the York County Board of Supervisors has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia requires a certification by the York County Board of Supervisors that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED by the York County Board of Supervisors this the 11th day of March, 2003, hereby certifies that, to the best of each member's knowledge, (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed, or considered by the York County Board of Supervisors.

On roll call the vote was:

Yea: (5) Noll, Wiggins, Shepperd, Zaremba, Burgett
Nay: (0)

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Meeting Adjourned. At 8:40 p.m. Chairman Burgett declared the meeting adjourned to 7:00 p.m., Thursday, March 13, 2003, in the Board Room, York Hall, for the purpose of conducting public hearings on the proposed FY2004 Budget and Tax Rates for 2003.

James O. McReynolds, Clerk
York County Board of Supervisors

James S. Burgett, Chairman
York County Board of Supervisors